Central banking function
Process of evolution -
Oscillations among:
- two interests of the U.S. Bank
- fear of restrictions - fear of centralization
- Federal edict on which the fed standard was being erected
- Maelstrom vs. harmony - no blanket mandate
-Greenback taboo
- Role of 1907 the business community reacted - Citizens League
- Political background - 1912-13 change of administration

F.R.S. become a reality - judicial challenge - no major statutory revision until 1925 - then mainly to gain legislative approval of administrative evolution.

This administrative evolution is entirely
typical of many cases of public law where the process of accommodation to environmental change
is so subtle - and requires to continue - of being
public process - as the evolution of an organism
species. And there are mutations - sudden
abrupt existential changes that are then understood
in terms of survival - that enable a social organism
to survive. In the Fed R.S. story the history
of the open market instrument is such a mutation.

The new contingency in the process of evolution
who sent the system as a defensive mechanism
in the monetary world with two weapons - the leverage
windup whose distressed banks could receive credit
and the reserve requirement. Only
recently in its history has the System become
dynamic rather than defensive - and this has
been accomplished by an evolutionary narrative

CARLTON SUMNER
4/14/66
response to a rapidly changing world — but the task is still the same —
the Bernanke to the
This great planner of 1966 who would
force the economic and social world into a
super Ecmasac system with everything in its
place, humming in a tidy cat as dictated
by its place in a well ordered world.
The FRS is a different monetary mechanism
in 1966 than it was in 1965 — after all no one
emerges from a confrontation with the biggest
kid on the block without physical & psychic
marks to show.
Inquiring into the policy process then
what place is it in now.

Political work —
SL's = structure of banking industry
fiscal policy —
Rest of the world —
Emotional climate
Demand is necessary
FOMC itself —
Informed gentry + members produce
a directive —

Color, tone and feel
Direction of system
Pressure under / other conditions
Pleasant window